

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 61

FINAL READING

Introduced by Adams, 24.

Read first time January 8, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to the Tax Equity and Educational Opportunities
2 Support Act; to amend sections 79-1022, 79-1023,
3 79-1026.01, 79-1027, and 79-1031.01, Reissue Revised
4 Statutes of Nebraska; to change certification dates
5 as prescribed; to harmonize provisions; to repeal the
6 original sections; and to declare an emergency.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1022, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-1022 (1) On or before April 1, 2009, and on or before
4 February 1 of each year thereafter, the department shall determine
5 the amounts to be distributed to each local system and each
6 district pursuant to the Tax Equity and Educational Opportunities
7 Support Act and shall certify the amounts to the Director of
8 Administrative Services, the Auditor of Public Accounts, each
9 learning community, and each district. The amount to be distributed
10 to each district that is not a member of a learning community
11 from the amount certified for a local system shall be proportional
12 based on: (a) For school fiscal years prior to school fiscal year
13 2008-09, the weighted formula students attributed to each district
14 in the local system; and (b) for school fiscal year 2008-09 and
15 each school fiscal year thereafter, the formula students attributed
16 to each district in the local system. For the first five complete
17 school fiscal years for a learning community, the amount to be
18 distributed to each district that is a member of such learning
19 community shall be determined pursuant to section 79-1015. For each
20 school fiscal year thereafter, the amount to be distributed to each
21 district that is a member of a learning community from the amount
22 certified for the local system shall be proportional based on the
23 formula needs calculated for each district in the local system. On
24 or before ~~February 1 of each year,~~ April 1, 2009, and February 1
25 of each year thereafter, the department shall report the necessary

1 funding level to the Governor, the Appropriations Committee of
2 the Legislature, and the Education Committee of the Legislature.
3 Certified state aid amounts, including adjustments pursuant to
4 section 79-1065.02, shall be shown as budgeted non-property-tax
5 receipts and deducted prior to calculating the property tax request
6 in the district's general fund budget statement as provided to the
7 Auditor of Public Accounts pursuant to section 79-1024.

8 (2) Except as provided in subsection (8) of section
9 79-1016 and sections 79-1033 and 79-1065.02, the amounts certified
10 pursuant to subsection (1) of this section shall be distributed in
11 ten as nearly as possible equal payments on the last business day
12 of each month beginning in September of each ensuing school fiscal
13 year and ending in June of the following year, except that when a
14 school district is to receive a monthly payment of less than one
15 thousand dollars, such payment shall be one lump-sum payment on
16 the last business day of December during the ensuing school fiscal
17 year.

18 Sec. 2. Section 79-1023, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 79-1023 (1) On or before ~~April 30, 2008, or the fifteenth~~
21 ~~day after April 3, 2008, whichever occurs later,~~ April 1, 2009, and
22 on or before February 1 of each year thereafter, the department
23 shall determine and certify to each school district the maximum
24 general fund budget of expenditures minus the special education
25 budget of expenditures for the immediately following school fiscal

1 year.

2 (2) For school fiscal years prior to 2008-09, no Class
3 II, III, IV, V, or VI district shall increase its general fund
4 budget of expenditures more than the local system's applicable
5 allowable growth rate.

6 (3) For school fiscal year 2008-09 and each school fiscal
7 year thereafter, except as provided in section 79-1028.01, no
8 school district shall have a general fund budget of expenditures
9 minus special grant funds and the special education budget of
10 expenditures more than the greater of (a) the product of the
11 difference of the general fund budget of expenditures minus special
12 grant funds and the special education budget of expenditures for
13 the immediately preceding school fiscal year multiplied by the sum
14 of one plus the local system's applicable allowable growth rate or
15 (b) the difference of one hundred twenty percent of formula need
16 for such school fiscal year minus the product of the sum of one
17 plus the basic allowable growth rate for such school fiscal year
18 multiplied by the special education budget of expenditures as filed
19 on the school district budget statement on or before September 20
20 for the immediately preceding school fiscal year.

21 Sec. 3. Section 79-1026.01, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-1026.01 For school fiscal year 2008-09 and each school
24 fiscal year thereafter, on or before April 1, 2009, and on or
25 before February 1 of each year thereafter, the department shall

1 determine and certify to each Class II, III, IV, or V district an
2 applicable allowable growth rate carried out at least four decimal
3 places as follows:

4 (1) The department shall establish a target budget level
5 range of general fund operating expenditure levels for each school
6 fiscal year for each school district which shall begin at twenty
7 percent less than the school district's formula need and end at the
8 school district's formula need. The beginning point of the range
9 shall be assigned a number equal to the maximum allowable growth
10 rate established in section 79-1025, and the end point of the range
11 shall be assigned a number equal to the basic allowable growth rate
12 as prescribed in such section such that the lower end of the range
13 shall be assigned the maximum allowable growth rate and the higher
14 end of the range shall be assigned the basic allowable growth rate;
15 and

16 (2) For each school fiscal year, each school district's
17 general fund operating expenditures shall be compared to its target
18 budget level along the range described in subdivision (1) of
19 this section to arrive at an applicable allowable growth rate
20 as follows: If each school district's general fund operating
21 expenditures fall below the lower end of the range, such applicable
22 allowable growth rate shall be the maximum growth rate identified
23 in section 79-1025. If each school district's general fund
24 operating expenditures are greater than the higher end of the
25 range, the school district's allowable growth rate shall be the

1 basic allowable growth rate identified in such section. If each
 2 school district's general fund operating expenditures fall between
 3 the lower end and the higher end of the range, the department shall
 4 use a linear interpolation calculation between the end points of
 5 the range to arrive at the applicable allowable growth rate for the
 6 school district.

7 Sec. 4. Section 79-1027, Reissue Revised Statutes of
 8 Nebraska, is amended to read:

9 79-1027 No district shall adopt a budget, which includes
 10 total requirements of depreciation funds, necessary employee
 11 benefit fund cash reserves, and necessary general fund cash
 12 reserves, exceeding the applicable allowable reserve percentages
 13 of total general fund budget of expenditures as specified in the
 14 schedule set forth in this section.

15	Average daily	Allowable
16	membership of	reserve
17	district	percentage
18	0 - 471	45
19	471.01 - 3,044	35
20	3,044.01 - 10,000	25
21	10,000.01 and over	20

22 On or before ~~February 15, 2007,~~ April 1, 2009, and on
 23 or before February 1 each year thereafter, the department shall
 24 determine and certify each district's applicable allowable reserve
 25 percentage.

1 Each district with combined necessary general fund cash
 2 reserves, total requirements of depreciation funds, and necessary
 3 employee benefit fund cash reserves less than the applicable
 4 allowable reserve percentage specified in this section may,
 5 notwithstanding the district's applicable allowable growth rate,
 6 increase its necessary general fund cash reserves such that the
 7 total necessary general fund cash reserves, total requirements
 8 of depreciation funds, and necessary employee benefit fund
 9 cash reserves do not exceed such applicable allowable reserve
 10 percentage.

11 Sec. 5. Section 79-1031.01, Reissue Revised Statutes of
 12 Nebraska, is amended to read:

13 79-1031.01 The Appropriations Committee of the
 14 Legislature shall annually include the amount necessary to fund the
 15 state aid that will be certified to school districts on or before
 16 ~~April 30, 2008,~~ April 1, 2009, and on or before February 1 for each
 17 school year thereafter in its recommendations to the Legislature
 18 to carry out the requirements of the Tax Equity and Educational
 19 Opportunities Support Act.

20 Sec. 6. Original sections 79-1022, 79-1023, 79-1026.01,
 21 79-1027, and 79-1031.01, Reissue Revised Statutes of Nebraska, are
 22 repealed.

23 Sec. 7. Since an emergency exists, this act takes effect
 24 when passed and approved according to law.